

Ike to Continue Letters to Khrushchev Despite Crack in U.S., Russian Relationship

By JOHN M. HIGHTOWER
WASHINGTON (AP)—President Eisenhower will continue the exchange of letters on international issues with Premier Nikita Khrushchev despite the recent turn for the worse in U.S.-Soviet relations.

Eisenhower, however, likely will try to restrict the exchange to major developments on really important issues.

That word came from administration sources Saturday as officials pressed a review of Soviet behavior in the hope of determining why Moscow's policy has hardened and what if anything the United States and its allies should do about it.

One point seems to stand out clearly: Khrushchev's failure to get a quick summit conference has caused him to turn to other and

tougher means of achieving objectives. This may have had a bearing on his crackdown in the Communist satellite countries. Eisenhower told a news conference Wednesday the Soviet leadership was responsible for the execution of former Hungarian Premier Imre Nagy and others who were in power at the time of the 1956 Hungarian revolt. He termed this a setback to his hopes for working out agreements with the Russians.

Asked then whether he saw any value in continuing his correspondence with Khrushchev, Eisenhower replied he would have

to take the whole thing under advisement. Qualified officials said Saturday the top-level contact is much too valuable for Eisenhower to break off the exchange.

But they deplored involvement of the great prestige of the presidency in many exchanges which they say Khrushchev has used for obvious propaganda rather than for real negotiating. They indicated Eisenhower would like to eliminate that kind of letter. He could perhaps do so by having the State Department reply to any Khrushchev message he considered of a propaganda nature.

Khrushchev used personal letters early this year to press his campaign for a summit conference without diplomatic preparation. He did not force the Western allies to grand Soviet objectives into agreement. Officials said that in recent weeks the Kremlin has shown less concern for world opinion and has been pressing the United States and its allies to grand Soviet objectives along a broad diplomatic front.

Business Outlook

Economy on Upswing But Soft Spots Due

By WALTER BREDE JR.

NEW YORK (AP)—Summer's advent found business on the upbeat in most key lines last week. But you could feel soft spots here and there.

Steel production hit its fastest pace since December. Freight carloadings touched a new 1958 high. One of the country's biggest producers hiked the price of copper.

A poll by the American Newspaper Publishers Assn. found retailers betting on a good summer season. Radio Corp. of America reported a big increase in sales of color TV sets. Texas authorities set a slightly higher limit for July on the state's permissible output of crude oil. The rate of business failures around the country continued to decline.

There were prospects, though, that industrial production would soon bog down in a summer lull.

'Leases Luster'

The steel pickup lost some of its luster when Bethlehem Steel Corp. shut down four furnaces at its Lackawanna, N. Y., works. Steel customers have contributed to the upturn by buying to beat an expected price boost. Once the price rise deadline is past, many steel users will resume living off their inventories. They know they can get steel any time they want it.

What's the outlook for a steel price increase now?

For some time many of the smaller steel companies have been clamoring for a price rise that would compensate for another round of wage increases due July 1. Last week the industry's traditional pace setter in pricing matters, United States Steel Corp., issued a statement that left its competitors and customers guessing. Big Steel, the statement said, is still studying the price question. No decision has been reached on what the company will do about prices when the wage boost becomes effective Tuesday.

Railroads were told last week to expect a sharp decline in freight traffic in the heavily industrialized Great Lakes region. The Great Lakes Regional Shippers Advisory Board predicted that carloadings in the area in the next three months will trail last year's pace by about 29 per cent. Shipments of steel, ore, and automobiles are expected to show the greatest drop.

Good News for Rails

There was good news for the ailing railroad industry, too. The Senate voted to kill the three-percent excise tax on rail freight tariffs and the 10-per-cent federal tax on passenger fares. For auto manufacturers, the news was not so good. The manufacturers' excise tax stays on autos.

Job prospects for college graduates—not too bright a couple of months ago—have improved. So says the Family Economics Bureau of northwestern National Life Insurance Co. As recently as April, the bureau states, job offers for college grads were running 50 to 75 per cent below a year ago.

Danes Expect Russ to Pay For Attack

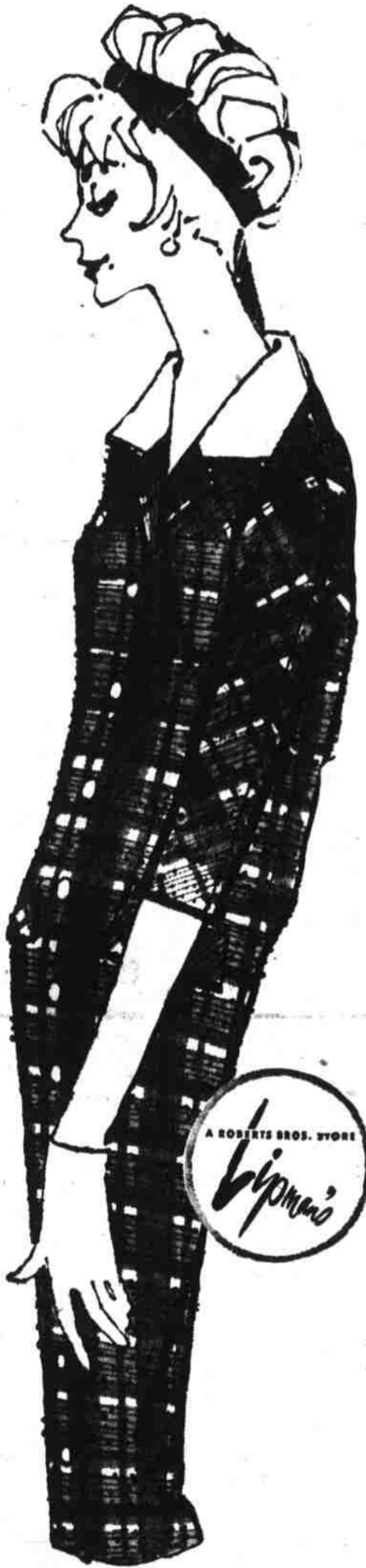
COPENHAGEN, Denmark (AP)—Prime Minister H. C. Hansen told the Soviet government Saturday he expects full compensation for damages caused to Denmark's embassy in Moscow by a rioting crowd Friday. He summoned Fedor Mikhailov, Soviet charge d'affaires, to file a protest.

A crowd of Soviet citizens attacked the Danish Embassy and broke seven windows in retaliation for last Tuesday's incidents in Copenhagen. An angry crowd did the same to the Soviet Embassy here to protest the executions of Imre Nagy and associates in the 1956 Hungarian uprising.

Mikhailov expressed his regret at what had happened in Moscow and said he would inform his government of the Danish prime minister's statement as soon as possible. Danish government circles felt this would mean the end of what is termed the war of broken window panes.

Reds Blast Action

HONG KONG (AP)—Communist China has complained that British authorities in Hong Kong prevented students from raising the Red China flag and singing the Red national anthem last month. A diplomatic note said the British action was extremely unfriendly and should not be repeated.



Headquarters for Famous White Stag funwear for girls, subteens

New Ranch Cord capri pants for the active ranch girl or fence striding tenderfoot. Drip-dry. Sand, red, blue. Subteen sizes 4.95
8-14

Stirrup top tee shirt with bulky collar. White with sand trim. 3.50
Subteen 8-14

See also our collection of playwear in favorite Sailcloth. Jackets, 8-14, 5.95; 7-14, 4.95; 3-6x, 4.50. Clamdiggers, 8-14, 4.50; 7-14, 3.98; 3-6x, 2.98. Novelty t-shirts, 1.98-2.98.

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Faberge's newest cologne spray

Perfect for summer travel... Faberge's newest creation... cologne spray in your favorite fragrances: Aphrodisia, Woodhue, Tigress or Flambeau. Golden-capped aerosols 3.75

Engraved golden metal \$5
refillable gift case (prices plus tax)

Lipman's Cosmetics, 1st

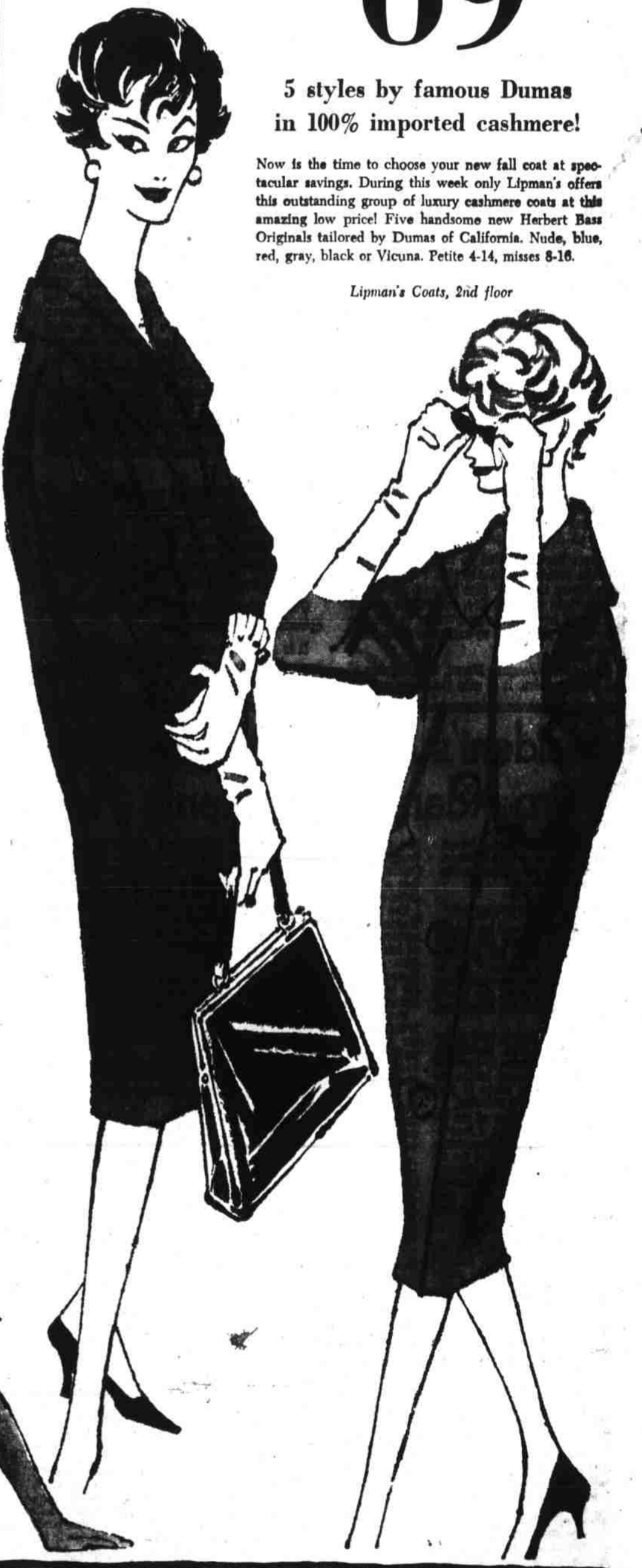
beach beauties for vacation fun

Draped sheath swimsuit... sensation on any beach. Elasticized Hampton plaid on Laton taffeta. Green and gold. 22.95
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One piece play suit with zipper front and short pleated skirt. Gay prints and colors. 5.98
10-18

Parva sandals of soft, washable Vinyl. Elegant simplicity for casual wear, lounging or beach. Turquoise, white, red, black. 1.98
S, M, L

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Wear these dark-colored cottons any season of the year and be fashionably well-dressed! The smart shagbark fabric is washable, needs little ironing.

Chemise coat-dress by Ivan Frederics in lilac, brown or green plaid. 19.98
Sizes 8-18

Not sketched. Sheath style dress with matching jacket by R & K. Red plaid and blue plaid. Sizes 10-16. 25

Lipman's Fashions, 2nd

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